

Department of Personnel Administration

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▶ As a State of California employee or retiree, your ideas could reward you with cash in your pocket?

- ▶ Thousands of employee suggestions have been adopted, resulting in millions of dollars in savings to the State.

Every active or retired State employee may participate, but employees appointed to:

- › Career Executive Assignments
 - › Exempt classifications
- are not eligible to receive a cash award.

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How much can I earn?

Award amounts range from \$50 – \$50,000 per implemented suggestion.

There are different awards available depending on the degree of benefit and savings.

Improved Procedure Award

\$50 – \$150

The Improved Procedure Award uses a scale to determine the cost benefit of the suggestion.

There is an additional \$25 Bonus for Improved Service to the Public.

Improved Safety Award

\$50 – \$1,000



This award also uses a scale and evaluation factors to determine the award. These factors include:

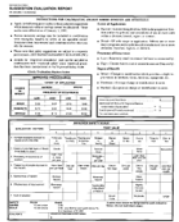
- ▶ Number of people exposed to the hazard
- ▶ Extent of potential injury or illness
- ▶ Seriousness of Hazard
- ▶ Effectiveness of Improvement

Cost Savings Award

- Where annual net savings or increased revenues are calculated as at least \$500, but not more than \$1,000, the recommended cash award shall be \$100.



Scales for calculating awards



Net Savings Award

\$100 – \$50,000

These awards are based on the net savings or earnings realized by the State in the first year following the date the suggestion was put into effect.

The award shall be 20% of the net savings or revenues or 5% if modified.

Net Savings Award (continued)

- › If the first year following implementation is not representative of the net savings or revenues, a different period of time may be used.
- › Suggestions that require substantial refinement or modification for implementation will be calculated at 5% of the net savings or increased earnings realized during the first year following adoption.

Cash Awards over \$5,000

Awards over \$5,000 require approval from:

- The Merit Award Board
- The Director of DPA
- State Legislature



What is the Merit Award Board?

- › The Merit Award Board has five members appointed by the Director of DPA. The Board is responsible for:
- › Adopting procedures and guidelines
- › Approving cash awards over \$5,000
- › Reviewing legislation for awards exceeding \$5,000
- › Making the final determination on eligibility for awards

Eligible suggestions

Suggestions accepted for evaluation are those that:

- ▶ are submitted on the STD 645
- ▶ are signed by the suggester
- ▶ describe a specific problem
- ▶ offer a workable solution
- ▶ benefit the State of California

Suggestions not eligible for review:

- Already under review
- Create new taxes or fees
- Involve a personal grievance
- Recommend a study or survey
- Change pay or classifications, establish new positions
- Recommend spelling or math corrections

How do I submit a suggestion?

- ▶ Complete the Employee Suggestion Form Std. 645. Describe the problem and provide a workable solution. Give as much detail and examples as possible. A team may submit a suggestion.
- ▶ Forward the form to your departmental Merit Award Administrator. If you don't know who that is, please refer to the MAA contact list or contact DPA.

What happens to my suggestion?

- ▶ Once received it is reviewed by your Merit Award Administrator (MAA).
- ▶ If eligible, a tracking number is assigned.
- ▶ The suggestion is forwarded to an evaluator – an employee who is familiar with your suggestion's program area.
- ▶ The evaluator reviews your suggestion and provides an evaluation on Form Std. 645a.

What happens to my suggestion?

- ▶ If your idea is adopted, the cost savings are determined by the evaluator. The award money comes from the Department adopting the suggestion.
- ▶ The documentation is provided to the MAA including the recommendation for a cash award.
- ▶ Your eligibility is determined and a duty statement is required.
- ▶ Proof of implementation is required before an award can be paid.

What happens to my suggestion?

- ▶ If your idea is not adopted, the reasons why are provided in the final report.
- ▶ The evaluator's report is returned to the MAA.
- ▶ The MAA forwards the evaluation to you.
- ▶ Your appeal rights are included with the final report.

Average turnaround time

- While evaluation and award timeframes vary depending on the complexity of your suggestion, the average turnaround time is 9-12 months.
- The MAA should provide a status report to you every quarter until the suggestion is finalized.

If my suggestion is adopted when will I receive my award money?

- It depends on the type of suggestion and award you receive. While every suggestion is different, the following guidelines are usually applicable:
- Improved Procedure - awarded as soon as the suggestion is implemented
- Improved Safety - same as Improved Procedure
- 20% Cash awards require an additional 12 months to determine first year savings

Will I be taxed on my award?

- Yes, Cash awards are considered income and are subject to tax.



- These awards are not considered part of your retirement calculation.

Merit Award Program Appreciation

We have a number of very talented people that are always coming up with good ideas and suggestions. Most of them feel like it's just part of their job and don't realize they are actually going above and beyond what is expected of them.

We're trying to recognize these people's accomplishments and I really appreciate having the Merit Award Program there to help us give them a "pat on the back."

—Paul Hodel, Caltrans

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For more information

To access the form online and for more information on the Employee Suggestion Program, please visit the Merit Award Program's website at:

<http://www.dpa.ca.gov/benefits/awards/esp/main.htm>

Questions?

Please call Kari Ehrman, Statewide Merit Award Program Coordinator at (916) 324-0522.

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